

University of Montana ScholarWorks at University of Montana

Mike Mansfield Speeches

Mike Mansfield Papers

1974

Congressional Record S. 17943 - Cyprus Situation

Mike Mansfield 1903-2001

Let us know how access to this document benefits you.

Follow this and additional works at: https://scholarworks.umt.edu/mansfield_speeches

Recommended Citation

Mansfield, Mike 1903-2001, "Congressional Record S. 17943 - Cyprus Situation" (1974). *Mike Mansfield Speeches*. 1220.
https://scholarworks.umt.edu/mansfield_speeches/1220

This Speech is brought to you for free and open access by the Mike Mansfield Papers at ScholarWorks at University of Montana. It has been accepted for inclusion in Mike Mansfield Speeches by an authorized administrator of ScholarWorks at University of Montana. For more information, please contact scholarworks@mso.umt.edu.

October 4, 1974.

CONGRESSIONAL RECORD—SENATE

S 18269

Mr. MANSFIELD. Will the Senator yield?

Mr. WEICKER. I am happy to yield to the Senator.

Mr. MANSFIELD. Mr. President, I wish to align myself with the remarks made by the distinguished Senator from Connecticut.

I am somewhat perturbed at talk about a 10-cent increase in the price of a gallon of gas, a 20-cent increase, some even mentioned a 30-cent increase in the price of gas and that will be most inequitable because it will fall on the people who can least afford to pay and will fall on people who need gasoline in their cars to get them to and from work to make a livelihood.

So I think that would be counterproductive.

Rationing, I think, under the proper conditions, on an equitable basis, would be one way to face up to a situation which I think too many of our people are taking for granted. They have forgotten the days of last winter when they had to wait in lines and scurry around to get 2, 3, or 4 gallons of gasoline at a time.

I am delighted that the Senator has made this statement again. This is not the first time for him. Last year he was advocating the same thing. I received a good deal of criticism, or some criticism, last year when I came out for rationing, especially in my home State. But this is far more preferable than an increase in the price of gasoline. It is far more equitable. It is one way that we can bring about a reduction in the use of energy, and in that way face up at least partially to our responsibilities.

I commend the Senator.

sent that a copy of my remarks before the Conference on Inflation, at the Washington Hilton Hotel, Friday, September 27, 1974, be placed at this point in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR MIKE MANSFIELD

There have been mini-meetings of this Conference in Washington and across the land. These meetings have been educational and instructive. They have brought to light many views on the state of the economy. But what thing of value to the people of the nation will come out of these meetings? That is the critical question. As one who was among the first to welcome the President's call for this Summit Conference, I must state in all candor that I am not too optimistic about the results.

This conference has had the participation of the foremost economists in the country—in and out of government. They have told us what the inflation and recession are all about—in a hundred versions. The talk has been of micro-economics, macro-economics, econometrics and what not. Of these things, of importance to economists, the public knows nothing. Of inflation, the public knows a great deal. Of recession, the public is learning more and more each day. The public knows, too, that little has been done to stem the inflation or to halt the march of recession, anywhere by anyone.

Everyone recognize that petroleum is one of the main sources of the problems which confront us. Yet, today, we are importing 40% of our petroleum needs as compared to 35% a year ago. The price of crude has skyrocketed and the end is not in sight. In 1972, \$4.7 billion was spent on imports; \$8.2 billion in 1973; \$27 billion plus in 1974. The trend is up, up, up.

For America and many other countries, a major source of inflation lies in these figures, in the manipulated spigot of international petroleum flow. As far as the United States is concerned, the other factor is Viet Nam. Viet Nam is water under the bridge only in the sense that we cannot undo what has already been done. Its terrible cost will extend far into the first half of the next century. It will be paid by the sacrifices of several generations.

Inflation has turned the world of the past two decades upside down. Things that are going up should be coming down and they are not. Retail prices are up by 47% annually. Unemployment is up. Interest rates are up. Medical costs are up by 36%.

Things that are coming down should be going up and they are not. The stock market is down—\$500 billion in values have been lost and 31 million people are affected. Real income is down. Our international trade balances have hit a record low. Auto sales are down 22% from a year ago. Unemployment in Michigan stands at 9.3%, compared to 5½% overall in the country. Housing is down 45% and yet in some places, construction wages have been increased by 20%. How can more houses be built and sold when prices are higher, interest rates are higher and construction wages are higher.

I am not an economist and make no pretenses. What is clear to me, however, is that the time for words—micro, macro or whatever is at the end. Words will no longer satisfy the nation. Inflation is social dynamite; walk through any food market in any suburb and take note of the comments. Recession is social dynamite; walk through areas of high unemployment in any city and ask what lies ahead. The divisions among people, among societies, among nations, are on the rise. They will not wait for the "self-adjusting mechanisms" of the economy to self-adjust.

What is the answer? Mostly, we hear talk

Mr. President, I yield back the remainder of my time.

The PRESIDENT pro tempore. Under the previous order, the Senator from Montana (Mr. MANSFIELD) is recognized for not to exceed 15 minutes.

Mr. MANSFIELD. Mr. President, I shall take only a few minutes. All I want to do is agree with and follow up on what the distinguished Senator from Connecticut has said this morning. I call to the attention of the Senate that, a week ago this morning, I had the following to say at the opening of the Summit Conference on Inflation. This is a recommendation, a personal recommendation on my own part.

Beginning an equitable rationing system for energy and other scarce materials to the end that dependency on foreign sources of petroleum can be reduced and beginning, too, a stringent conservation system including measures to enforce the speed limit—

Which is supposed to be at 55 miles an hour to conserve gasoline. If you can find anybody traveling at 55 miles an hour today you are looking at someone who is a rarity on the road.

And to bring about a reduced of wastage in the utility and other industrial fields;

I believe the distinguished Senator from Wisconsin (Mr. NELSON) and also the Secretary of the Treasury, Mr. Simon, have indicated on several occasions that we waste somewhere between 30 and 40 percent of the energy which we use. Certainly, there must be some way that we can face up to that loss, do something about it, and, in that manner, also decrease our dependence on imports of foreign petroleum.

I would hope also that ways and means could be found to establish at least a 6-months petroleum reserve in this country, preferably one year, so that we would never again be caught as short as we were last fall and winter when the embargo was placed against the nations of the West by the oil-producing nations of the Middle East primarily, joined in shortly by other oil-producing nations as well.

Mr. President, I ask unanimous con-

about the need for a tight Federal budget and tight money. Of course, we need to keep rein on government expenditures, in good times and bad, and especially on the extravagant and the irrelevant. At best, however, the Federal budget is only a fragment of the answer to our difficulties.

It is said, too, the fault lies with the American consumer. Tell that to the grocery-shopper who feeds a family on inflation-eroded wages or a fixed income. Tell it to the home-owner who uses oil to keep out the cold and to the worker who uses gasoline to get to work. The fact is that the *laissez faire* application of the laws of demand and supply no longer correct the economic ills of a society already bound in by a massive complex of intervention built up over decades. The clock cannot be turned back to Adam Smith's Eighteenth Century England.

The nation is in an economic emergency. The people expect government to confront that emergency and to act on it in the general interests of the people. We have not done so and even now, seem to lack the capacity to do so.

Take the problem of energy-supply as an example. A year ago, we talked of crash programs to increase our own production and to develop substitutes to reduce the dependency on imported oil. Congress has appropriated vast funds and stands ready to appropriate more for this purpose. But what have we really achieved with this year of grace? What have we really done? We have allowed the self-adjusting mechanisms of the economy to operate quite freely in petroleum. We have let prices find their own level. In a society grown universally dependent on petroleum that is the cruelest form of rationing. The burden falls heaviest on those with the least income.

The need is for a new action—equitable action—by this Administration in cooperation with the Congress. It exists not only with regard to petroleum but in many other matters. As the President has already been informed, the Senate majority believes that integrated action in seven fields is needed to curb inflation and to halt the recession.

These fields are: (1) budget reductions, (2) wage, prices and profit control, (3) selective monetary credit easement, (4) tax adjustments, (5) positive action to deal with shortages and supplies (6) development of new employment, and (7) readjustment of international policies.

Credit curbs alone are not enough. Budget cutting alone is not enough. Indeed, the budget has already been cut by Congress and will be cut further. But how much inflation can really be squeezed out of the economy by this method and at what price? How much will it cost in lost jobs, lost output, lost public services and business failures?

As for the international economic situation, particularly as it involves petroleum, the Senate and all Americans welcome the call for increased cooperation among consuming nations; and, indeed, there is no reason not to extend the call to the producing nations. We welcome joint policies designed to assure international distribution of essential commodities. The answer will not be found in confrontation with other nations but in cooperation by our own people with others. Some countries like Italy and the United Kingdom face bankruptcy. A whole corridor of humanity spanning the African Continent is starving. Along with petroleum, these and countless other specific situations are all parts of a world-wide whole. International petroleum problems must be dealt with in that context.

There are many areas that must be addressed in regard to our economic predicament. We must address them candidly and act on their dictates within the framework of this nation's basic tenets. At this time, I

offer on my own behalf, for the consideration of this Conference, a nine-point program of Federal action. I do not think we are going to come to grips with the mounting problems of the economy unless we begin to move in the direction of:

1. Establishing, as needed, mandatory wage, price, rent and profit controls.

2. Reviving the Reconstruction Finance Corporation to deal with the credit needs of ailing businesses such as Penn Central, Lockheed and Grumman, Pan American, TWA and many more headed in the same direction; Congress is not the proper forum for specific decisions involving government bail-outs;

3. Restoring Regulation W to require larger downpayments on credit purchases and shorter periods for repayment and allocating credit on a priority basis in the light of the nation's critical needs;

4. Beginning an equitable rationing system for energy and other scarce materials to the end that dependency on foreign sources of petroleum can be reduced and beginning, too, a stringent conservation system including measures to enforce the speed limit and to bring about a reduction of wastage in the utility and other industrial fields;

5. Developing a broader system of indexing to the end that the real incomes of wage earners can be tied to real living costs;

6. Moving without delay to establish a Commission on Supplies and Shortages, legislation for which has already passed the Congress;

7. Curbing excessive profits and controlling the flow of investments abroad through the taxing power while conversely, cutting taxes on Americans hardest hit by inflation, those in low and moderate income categories and those on modest fixed income;

8. Creating, without delay, a job-program which puts people to work in public services and elsewhere as necessary, to keep down the level of unemployment; and

9. Working with all nations prepared to work with us to deal with cartel-created shortages in petroleum or other commodities, recognizing that petroleum is only one aspect of the largest question of the interrelationship of the economic well-being of all nations and the stability of the world.

Sacrifices are needed across the board if we are going to restore the nation's economy. In my judgment, the people of this nation are prepared to make those sacrifices. They will do whatever must be done, so long as the burdens are borne equitably. That is the job of the President and the Congress—to insure that the sacrifices are fairly distributed. It is time to put aside the evasions and the circumlocutions. The bell is tolling. There is no need to send to find out for whom. It is tolling for all of us.

Mr. MANSFIELD. Mr. President, I yield back the remainder of my time.

CONSIDERATION OF CERTAIN ITEMS ON THE CALENDAR

Mr. MANSFIELD. Mr. President, six items on the calendar have been cleared on both sides, and I ask unanimous consent that the Senate proceed to the consideration of the following: Calendars Nos. 1149, 1150, 1152, 1154, 1155, and 1156.

The PRESIDING OFFICER. Without objection, it is so ordered.